

AGN. NO. _____

MOTION BY SUPERVISOR KATHRYN BARGER

JANUARY 7, 2020

**IMPLEMENTING STATE AUDITOR RECOMMENDATIONS FOR
TARGETED EDUCATION FUNDING FOR HIGH-NEEDS YOUTH**

The State Joint Legislative Audit Committee directed the California State Auditor to review the funding provided to school districts under the Local Control Funding Formula (LCFF), which is intended to provide more local control over K-12 funds. This formula is intended to improve educational outcomes among foster youth, low socio-economic status youth, and English learners. The audit, titled “K-12 Local Control Funding: The State’s Approach Has Not Ensured That Significant Funding Is Benefiting Students as Intended to Close Achievement Gaps” was released on November 5, 2019. This report included several recommendations to the State Legislature and to the State Board of Education to increase the transparency of school districts’ Local Control and Accountability Plans (LCAPs) and have the California Department of Education (CDE) track and accurately report how the funds were spent on the intended student groups.

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The State Auditor was concerned that without a means of tracking how districts use these funds, stakeholders and policymakers lack adequate information to assess the impact on the outcomes of the intended student groups. For the three school districts the Auditor reviewed, the districts had inappropriately identified hundreds of millions of dollars of LCFF funding as base funds rather than supplemental and concentration funds. Additionally, it was difficult to determine if these supplemental funds increased or improved services for intended student groups.

The State Auditor made several recommendations for the State Legislature, including to:

1. Amend state law to require districts and other local education agencies (LEAs) to identify any unspent supplemental and concentration funds by annually reconciling the estimated amounts of these funds included in their LCAPs with the actual amounts of these funds CDE reports having apportioned to them.
2. Amend state law to specify that unspent supplemental and concentration funds at year-end must retain its designation to increase and improve services for intended student groups and be spent in a following year. The Legislature should also require districts and other local educational agencies to identify in their LCAPs for the following year the total amounts of any unspent supplemental and concentration funds.

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In addition, it should direct the State Board to update the LCAP template to require districts and other local educational agencies to report in their LCAPs how they intend to use any previously unspent supplemental and concentration funds to provide services that benefit intended student groups.

3. Require CDE to update its accounting manual to direct districts and other local educational agencies to track and report to it the total amount of supplemental and concentration funds they receive and spend each year.
4. Require CDE to develop and implement a tracking mechanism that districts and other local educational agencies must use to report to it the types of services on which they spend their supplemental and concentration funds.

The State Auditor made several recommendations for the California Department of Education, which are as follows:

1. Merge the Annual Update section with the Goals, Actions, and Services section of the LCAP, in line with AB 1840, Chapter 426, Statutes of 2018.
2. Amend the LCAP template to require LEAs to include analysis of the effectiveness of each individual action included in the LCAP, in addition to analyses of the effectiveness for overarching goals.
3. Update the LCAP instructions to include key information from CDE's Uniform Complaint Procedure appeal decisions related to LCAPs.

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4. Instruct school districts to ensure that their LCAPs are sufficiently clear and effective, including articulating a connection between the needs and goals, in an easily understood way.

The 2017-2018 Los Angeles County Civil Grand Jury also addressed this issue in their report titled “Funding Formula Fails Fosters: The Impact of the Local Control Funding Formula (LCFF) on Foster Youth.” Their report identified the unique challenges facing foster youth students as they:

- “• Were about five times more likely to be classified with an emotional disturbance than other students
- Experienced much higher rates of school mobility than other students
- Were also more likely than other students to be enrolled in non-traditional public schools
- Were more likely than all comparison groups to drop out of school, and
- Had graduation rates that were the lowest among the at-risk student groups.”

Their report found not all school districts receiving LCFF funds were using them appropriately or had plans that improved outcomes for the intended student populations.

The Grand Jury recommended that:

- School districts allocate funds for programs or actions specifically targeted to meet the substantial and unique needs of their foster youth students

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- School districts track and monitor the achievement gap of foster youth compared with other students
- Los Angeles County Office of Education (LACOE) to enhance and expand its Educational Passport System to provide a common and consistent data repository for all school district information on foster youth.

I, THEREFORE MOVE, that the Board of Supervisors instruct the CEO Legislative Affairs, in consultation with LACOE, to draft a 5-signature letter to Tony Thurmond, State Superintendent of Public Instruction; Karen Stapf Walters, Executive Director of the State Board of Education; and the Los Angeles County legislative delegation urging them to take all necessary steps to adopt the State Auditor's recommendations and enable assessment of targeted student outcomes. This letter should also request changes to eliminate the inclusion of other fund sources, such as federal funds, which masks underspending of LCFF funds for increased or improved services for unduplicated pupil groups in the "LCFF Budget Overview for Parents template", as required by AB 1808 (Chapter 32, Statutes of 2018).

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